



RATED PG: parental guidance suggested

A Parent's Guide for Student Academic Achievement and Financial Assistance

Published by MOSTARS, the student financial assistance division of the Missouri Department of Higher Education
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Need Money For College?

Gov. Mel Carnahan continues to emphasize the importance of improving access to postsecondary education. In his keynote address at the 1999 Governor's Conference on Higher Education, he noted that, according to a survey by the American Council on Education, financing education is a top worry for many Americans. Sixty-five percent of those surveyed were worried about the cost of a college education, and 71 percent believed that a four-year college degree was not affordable for most Americans. Following is a brief overview of Missouri student financial assistance programs.

In this issue . . .

You will find information about the most-requested topic according to our annual surveys: student financial assistance. Since paying for your student's postsecondary education probably is one of your foremost concerns, we have dedicated this issue to this topic. We have included information about the new MO\$T (Missouri Saving for Tuition) program in addition to a list of all the programs MOSTARS administers and a short glossary of financial assistance terms. So, read on and learn about student assistance so that you can begin financial planning now.

→ The MO\$T (Missouri Saving for Tuition) Program

With college costs rising considerably faster than the overall rate of inflation, saving enough to pay for those costs can seem overwhelming — especially for families with more than one child.

Now, thanks to MO\$T, a new, tax-favored program developed by State Treasurer Bob Holden, Missouri families have a smart way to save for their children's college education. In addition, anyone — a parent, grandparent, relative, or friend — can open or contribute to a MO\$T account for a beneficiary and receive the tax advantages of the MO\$T program.

KEY FEATURES OF MO\$T:

- ★ Missouri taxpayers can deduct up to \$8,000 in contributions annually from their Missouri adjusted gross income. In addition, all earnings on contributions are exempt from Missouri state taxes if used for the qualified postsecondary education expenses of the designated beneficiary and are not subject to federal income tax until withdrawn.
- ★ Account owners have different financial needs, so MO\$T offers two program options — a low-risk option and an investment option.
- ★ Account owners pay no application fees, sales charges, or annual fees for their MO\$T accounts.
- ★ MO\$T will operate under the direction of the Missouri Higher Education Savings Program Board, chaired by Missouri State Treasurer Bob Holden. TIAA-CREF Tuition Financing, Inc. provides program management services.
- ★ Individuals can open an account with a minimum monthly contribution of just \$25 (or \$15 through employee payroll deduction).
- ★ A MO\$T account can be used to pay for qualified education expenses (tuition, fees, supplies, certain room and board, books, and equipment) at any eligible college, university, vocational/technical school, or other postsecondary institution in Missouri or anywhere in the U.S. and even some schools abroad.

FOR MORE INFORMATION CALL TOLL FREE 1-888-414-MOST OR VISIT WWW.MISSOURIMOST.ORG ON THE INTERNET.

FINANCIAL AID, from page 1

→ Advantage Missouri Program

Allows full-time students to borrow up to \$2,500 per year in loans that may be forgiven if the student is employed in a designated high-demand occupation (advanced manufacturing, computer technology, or biomedicine/biotechnology) in Missouri after completing one of the more than 800 designated academic programs

→ Missouri College Guarantee Program

Scholarship based on demonstrated financial need as well as high school and college academic achievement

→ Charles Gallagher Student Financial Assistance Program

Need-based grant for Missouri residents to attend an approved Missouri postsecondary institution full time

→ "Bright Flight" Scholarship Program

Merit-based scholarship to encourage high school seniors who score in the top 3 percent on the ACT or SAT to attend an approved Missouri postsecondary institution full time

→ Marguerite Ross Barnett Memorial Scholarship Program

Need-based scholarship for Missouri residents attending a Missouri institution part time and employed 20 or more hours per week

→ Public Service Survivor Grant Program

Tuition grant for eligible Missouri residents who are dependent children or spouses of a public safety officer or Department of Transportation employee who was killed or permanently disabled in the line of duty

→ Vietnam Veteran's Survivor Grant Program

Tuition grant for Missouri residents who are survivors (child or spouse) of a Vietnam veteran whose death was attributed to or caused by exposure to toxic chemicals during the Vietnam conflict

→ Midwest Student Exchange Program

Reduced tuition rate for Missouri residents who enroll in designated degree programs at participating institutions in Kansas, Michigan, Minnesota, and Nebraska

→ Subsidized Federal Stafford Loan Program

Need-based loan available to eligible undergraduate and graduate students; generally, the federal government pays the interest as long as the borrower is enrolled at least half time and during the borrower's six-month grace period and authorized deferment periods

→ Unsubsidized Federal Stafford Loan Program

A loan that is not need-based, but has the same terms and conditions as a subsidized Federal Stafford Loan except the borrower is responsible for all interest payments

→ Federal Parent Loan for Undergraduate Students (PLUS) Program

Allows a parent to borrow a guaranteed, non-need-based loan for their dependent student

→ Federal Consolidation Loan Program

An option for those who wish to combine all of their eligible student loans into one loan and make one payment to a single loan holder

(800) 473-6757

**For more information, talk to
your high school counselor,
call the**

**MOSTARS
Information Center,
or visit our web site at
www.mocbhe.gov.**

(573) 751-3940



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A Parent's Guide for Student Academic Achievement and Financial Assistance

RATED PG: parental guidance suggested is published three times each year by MOSTARS (Missouri Student Assistance Resource Services) and the Missouri Higher Education Loan Authority for parents of Missouri high school freshmen and sophomores. Editorial content for this publication is shared by the commissioner of higher education and MOHELA.

MOSTARS is the student financial assistance division of the Missouri Department of Higher Education, which the Coordinating Board for Higher Education oversees. The CBHE was authorized by an amendment to the Missouri Constitution in 1972 and established by statute in the Omnibus State Reorganization Act of 1974.

High school counselors can photocopy issues of **RATED PG** after placing the following information on an original copy:

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For more information about this newsletter or articles printed in it, contact:

**MOSTARS Information Center
3515 Amazonas Drive
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www.mocbhe.gov**

OR

**Missouri Higher Education Loan Authority
14528 South Outer Forty Drive
Chesterfield, MO 63017
(314) 469-0600
www.mohela.com**



Student Financial Aid Glossary

FAFSA

All students seeking need-based student financial assistance MUST fill out the Free Application for Federal Student Aid (FAFSA).

COST OF ATTENDANCE

Estimate of a student's educational expenses, including tuition, fees, room and board, books and supplies, personal, and other related educational expenses, for the period of enrollment

EXPECTED FAMILY CONTRIBUTION

Amount the parents and student can reasonably be expected to pay toward the cost of attendance; amount is based on a federal analysis of the family's financial information reported on the FAFSA

FINANCIAL NEED

The difference between a student's cost of attendance and expected family contribution; the student must demonstrate financial need to be eligible for need-based financial assistance programs

POSTSECONDARY INSTITUTION

Any educational institution offering a course of study beyond the high school level

LENDER

Banks, savings and loan associations, and credit unions that provide the actual student loan funds for the federal loan programs

MOSTARS

The student financial assistance division of the Missouri Department of Higher Education; administers federal and state grant, scholarship, and loan programs and provides statewide services and free information about postsecondary education to Missouri families

WORK-STUDY

Financial aid that enables students to earn a portion of their college costs through part-time employment

These common terms and definitions will be useful to parents and students.



GRANT

Aid usually based on financial need that does not have to be repaid

SCHOLARSHIP

Aid that does not have to be repaid; although scholarships are usually awarded for outstanding academic achievement, ability, or talent, they are sometimes based on financial need

LOAN

Money borrowed that must be repaid with interest; student borrowers must repay their loans even if they do not complete or are dissatisfied with their education

GRACE PERIOD

Period of time before a student borrower must begin repaying an educational loan

REPAYMENT

Period of time after the grace period when a borrower must begin making monthly payments on an educational loan

DEFAULT

When a borrower is 270 days delinquent in making student loan payments

Other Missouri Student Financial Assistance Programs

Department of Agriculture

- * Agriculture Scholarship Program

Department of Natural Resources

- * Minority and Underrepresented Environmental Literacy Program

Department of Economic Development

- Federal Job Training Partnership Act
- * Employment and Training Program

Department of Social Services

- * Assistance for Students Who Are Visually Impaired or Blind

Department of Elementary and Secondary Education

- * Robert C. Byrd Honors Scholarship
- * Missouri Teacher Education Scholarship
- * Minority Teaching Scholarship
- * A+ Program
- * Veterans' Benefits
- * Assistance for Students with Physical and/or Mental Disabilities

National Guard Association

- * Missouri Educational Assistance Program
- * Missouri National Guard Association Auxiliary Scholarship Program

Rural Missouri, Inc.

- Federal Job Training Partnership Act
- * Farmworker Assistance Program

Department of Health

- * Missouri Professional and Practical Nursing Student Loan Program
- * Physicians Student Loan Repayment Program
- * Primary Care Resource Initiative for Missouri (PRIMO) Loan Program

For more information, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

The Montgomery GI Bill

Educational benefits are some of the most significant incentives that come with armed services enlistment. The Montgomery GI Bill is the basic educational benefit available to all members of the armed services, both Active and Reserves. The active GI Bill requires a first-year contribution of \$1,200 by the individual while the Selected Reserve Montgomery GI Bill does not require such a contribution.

The MGIB for active personnel is as follows:

Enlistment	Individual Contribution	Government Contribution	MGIB Total	Monthly Payment
2 years	\$1,200	\$14,496	\$15,696	\$436
3 years	\$1,200	\$18,096	\$19,296	\$536
4 years	\$1,200	\$18,096	\$19,296	\$536

The Selected Reserve MGIB is \$9,180. A full-time student's monthly payment is \$255 for 36 months; a three-quarter time student's monthly payment is \$191 for 48 months; and a part-time student's monthly payment is \$127 for 72 months. The Selected Reserve MGIB Kicker (Selected MGIB + Kicker) provides a total of \$21,780 for reservists assigned to critical skill positions or critical units. The monthly payment for a full-time student is \$605.

For more information, please call your local armed services recruiter. ♦

Missouri Higher Education Loan Authority

The Missouri Higher Education Loan Authority is a not-for-profit financial entity. Each year, MOHELA assists in the origination of student loans with client lending institutions that provide financial access to Missouri postsecondary education. MOHELA also purchases loans from lending institutions and then services the loans during the borrowers' repayment periods. MOHELA serves as the origination and servicing agent for most private lenders in Missouri.

MOHELA maintains a partnership role with private lenders in developing programs that make loan funds available to Missourians for college. Student loan programs provide an important supplement to educational finance. MOHELA's investment in the educational loan programs will further assist students and parents.

If you are a parent with a student who already has enrolled in or completed college, or if you have outstanding educational loans, contact MOHELA about loan consolidation by calling its loan consolidation hotline at (800) 666-4352, ext. 3444. ♦

Metropolitan St. Louis Countdown to College Expo Set for March

**More than 16,000
high school students
and community
college transfer
students, together
with their
parents and families,
are expected
to attend.**

Mark your calendar for the Metropolitan St. Louis Countdown to College Expo. This event will be held Friday and Saturday, March 24 and 25, 2000 from 9 a.m. to 4 p.m. in the America's Center - TWA Dome (home of the St. Louis Rams). More than 16,000 high school students and community college transfer students, together with their parents and families, are expected to attend.

The College Expo will

provide students and their parents and families an opportunity to meet with college and university admission representatives. This event is a college resource to assist students with their countdown to college planning, selection, financing, and other related needs and concerns.

For additional information, contact Mr. Hal Deuser, Saint Louis University: telephone (314) 977-2353; fax (314) 977-3437; or e-mail deuserha@slu.edu. ♦

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